

CONTRACTOR SCAMS

When flood waters recede you may discover that your flood-damaged home or business may need extensive repair or demolition. Insurance settlements and flood relief from the federal government to property owners can provide con artists with opportunities to profit unfairly. It's no secret that fraudsters follow the money, attracted by the demand for repairs and the availability of funds. When you deal with contractors:

- Ask for copies of their general liability and worker's compensation insurance.
- Check their identification and references.
- Don't pay more than the minimum in advance.
- Deal with reputable people in your community.
- Call the cops and the Better Business Bureau if you suspect a con.

If your house is severely damaged, make sure you can legally rebuild if you intend to. When you file for a building permit, local inspectors will determine what federal regulations you must comply with. Make sure you check the building permit for any restrictions and that the new structure meets any elevation standards.

If your house is basically intact, but you need a contractor to help with some repairs, ask questions first and pay later. Remember to be **SKEPTICAL**: watch what is charged in your name at the building supply store.

Choosing a Contractor

- Get recommendations from friends, relatives, neighbors, co-workers, insurance agents, or claims adjusters.
- Deal only with licensed and insured contractors. Check with the local Better Business Bureau and Home Builders Association to see if complaints have been lodged against any contractor you're considering.
- Be skeptical of contractors who encourage you to spend a lot of money on temporary repairs.
- Get a written estimate that includes any oral promises the contractor made. Remember to ask if there's a charge for an estimate before allowing anyone into your home.

BE ON THE LOOK OUT

Once recovery mode begins, be wary of:

- Trucks driving door to door, claiming to be doing work for your neighbors. Deal with contractors from your community.
- Anyone who asks for cash payment for their services.
- Papers that are confusing. Don't sign them if you can't understand them. Find someone else to do business with.
- Promises to solve all your problems. They may be tempting, and you may wish they were true, but no one can solve all the problems the disaster has brought.

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- Take your time about signing a contract. Ask for explanations for price variations, and don't automatically choose the lowest bidder. Resist dealing with any contractor who asks you to pay for the entire job up-front. A deposit of one-third of the total price is standard. Pay only by check or credit card and pay the final amount only after the work is completed to your satisfaction. Don't pay cash.
 - Ask a knowledgeable friend, relative, or attorney to review a home repair contract before you sign. Get a copy of the final, signed contract before the job begins.
 - Ask the contractor you choose to provide a lien waiver before starting your job. This is a receipt that says the workers and suppliers of material will not ask you for money once you have paid the contractor. In any case, don't sign a consent of owner statement: it says you, the property owner, will cover the costs of materials and labor if the contractor doesn't pay.

For More Information

State of Mississippi
www.mema.ms.gov/

State of Louisiana
www.louisiana.gov/wps/portal/

State of Alabama
www.alabama.gov

KEEP YOUR GUARD UP

Remember that although you may have lost your belongings, you haven't lost your good judgment.

- Before you give out your personal information, make sure it is absolutely necessary and ask for identification.
- Ask to see the ID of anyone who wants to come in; check out any company with whom you think you want to do business. Check trucks and cars for local addresses and phone numbers.
- Get more than one estimate for repairs or service.
- Don't believe great promises. No one is getting something for nothing.
- Shop around. Some business advertise "disaster" sales offering appliances and major electronics at reduced prices. While these could be bargains, they also could be gimmicks.
- Don't pay the full price for service work until the service is completed and you're satisfied with the work.